### EXHIBIT M



JAN L. BARGER, CPL, ESA SENIOR PARALEGAL 616.752.2221 FAX 616.222.2221

jbarger@wnj.com

September 12, 2008

#### VIA OVERNIGHT MAIL

Mr. Peter Anastor Michigan Economic Growth Authority Michigan Economic Development Corporation Brownfield Redevelopment 300 North Washington Square Lansing, Michigan 48913

Re: MBT Credit Application

Kirsch Lofts LLC

308 N. Prospect, 418 E. Main

Sturgis, Michigan

Dear Peter:

Enclosed for your review and consideration is an original and one copy of the Part I Brownfield Redevelopment MBT Credit Project Application for the Kirsch Lofts LLC project in Sturgis. The following documents are enclosed in support of this application:

- Phase II environmental report;
- 2. Site maps;
- Site photographs; and
- 4. Project proforma.

If you have any questions or need additional information, please feel free to contact me.

Very truly yours,

Jan L. Barger

Enclosures

Mr. Scott Bosgraaf w/enc.
 Mr. John Hayes w/o enc.

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### **Brownfield Redevelopment MBT Credit Application – PART I**

#### This application is in two parts:

To begin the application process, <u>Part I</u> should be submitted to MSHDA and MEDC staff for review. This review will determine if state-level brownfield incentives will be supported for the project. Those projects that are authorized to proceed to full application will receive a Brownfield Application Invitation Letter and Part II of the Application.

- If a Brownfield Application Invitation Letter is issued for the project, the applicant should proceed with the requirements for an administratively complete application.
- IMPORTANT: To be eligible for the credit any work or investment must begin after the approval date of the brownfield plan but in any event NOT earlier than 90 days prior to the date of the preapproval letter from the MEGA or MEGA Chairperson.

#### REQUIREMENTS FOR PROJECT REVIEW & CONSIDERATION - APPLICATION PART I

- Part I of the Application
- Demonstration of Property Eligibility as follows:
  - Contaminated Facility: Phase I, II and BEA for the subject property. Phase II BEA will be required with Part II of the Application.
  - □ Functionally Obsolete: Must be located in a Qualified Local Governmental Unit, or if applying for a credit of \$200,000 or less, may be located within the boundaries of a Downtown Development Authority. A statement from a Level III or IV assessor attesting to the functionally obsolete status per 125.2652(r) must be attached. The affidavit should include information that supports the functionally obsolete determination. Highest and best use is not a deciding factor when determining functional obsolescence.
  - Blighted: Must be located in a Qualified Local Governmental Unit, or if applying for a credit of \$200,000 or less, may be located within the boundaries of a Downtown Development Authority. A statement explaining how the property meets the standard for blighted property per 125.2652(e) must be attached.
- Pictures of the Site and detailed maps of the project showing parcel boundaries, project boundaries, existing and proposed building locations, and brownfield boundaries.
- If qualifying on the basis of location within a Downtown Development Authority (DDA), a map showing the boundaries of the DDA.

#### REQUIREMENTS FOR INVITED PROJECTS - APPLICATION PART I & PART II

Applications <u>MUST</u> be administratively complete before they will be considered for approval. An original and <u>one</u> copy of the following items must be included:

- Part I and Part II of the Application, fully completed, with the seal of the municipal clerk affixed.
- Proof of Ownership (Recorded Deed), Lease (Executed by all parties), or Purchase or Lease Agreement (Executed by all parties).

  Approved Brownfield Plan designating the eligible property.

Resolution approving the Brownfield Plan.

- Map identifying any other eligible property named in a Brownfield Plan in the city, village, or township.
- Itemized Lists of Eligible Investments, by Category.
- 3 years audited financial statements for each qualified taxpayer listed. If a qualified taxpayer cannot provide three years of financial statements, the following items must be attached:
  - ☐ An explanation of why financial statements are not available.
  - Alternate information describing the financial means and capacity of each qualified taxpayer or of affiliated entities that will assume financial responsibility for the items detailed in the Eligible Investment section.
- A schedule identifying the sources and uses of funds necessary to complete the project, including return on investment (ROI).
- Projection of operating expenses and income for the project for a sufficient number of years to demonstrate the project's economic viability. Provide any other information needed to support a conclusion that the project is economically sound.
- The applicable non-refundable application fee.

#### FEES - A non-refundable application fee is required with Part II of the application.

For Credits based on Eligible Investment of \$2 million or less "Mini" (MCL 208.1437(2)) - A non-refundable application fee of \$2,500 shall be submitted with the Application prior to consideration of an award by the MEGA chairperson. A check payable to the Michigan Strategic Fund must accompany this completed application if the application is to be considered administratively complete. No Administrative Fee is required for credits with Eligible Investment of \$2 million or less.

For Credits based on Eligible Investment over \$2 million but \$10 million or less "Small" {MCL 208.1437(3)} - A non-refundable application fee of \$5,000 shall be submitted with the Application prior to consideration of an award by the MEGA chairperson. A check payable to the Michigan Strategic Fund must accompany this completed application if the application is to be considered administratively complete. Prior to the issuance of a Certificate of Completion or a Component Certificate, an Administrative Fee of 1.4 percent of the amount of the pre-approval credit amount is due. The application fee will be applied to this fee, and will reduce the amount due. All remittances must be payable to the Michigan Strategic Fund.

For Credits based on Eligible Investment greater than \$10 million "Large" {MCL 208.1437(4)} - A non-refundable application fee of \$10,000 shall be submitted with the Application prior to consideration of an award by the MEGA. A check payable to the Michigan Strategic Fund must accompany this completed application if the application is to be considered administratively complete. An Administrative Fee of 7/10 of 1 percent (0.007) of the amount of the pre-approval credit amount, up to \$100,000, also applies. One half of the Administrative fee must be paid prior to the issuance of the pre-approval letter. The balance is due one year after the date of the pre-approval letter. Remittances must be payable to the Michigan Strategic Fund.

#### `PLICATION SUBMISSION

submit the Part I Application and required exhibits and attachments to: Michigan Economic Growth Authority

Michigan Economic Growth Authority
Michigan Economic Development Corporation
Brownfield Redevelopment
300 North Washington Square
Lansing, MI 48913 K

		Eligible Property Address, City, Village, or Township, County				
		308 N. Prospect Street and 418 E. Main Street				
		City of Sturgis, St. Joseph County				
20	· · · · · · · · · · · · · · · · · · ·					
1. Qualified Taxpayer Legal Name (business entity to receive tax credit)		dit) 2. Employer Tax Identification Number (EIN)				
ł	Kirsch Lofts LLC	26-2865985				

	JALIFIED TAXPAYER INFORMATION	
$\Gamma$	Qualified Taxpayer Legal Name (business entity to receive tax credit)	2. Employer Tax Identification Number (EIN)
1	Kirsch Lofts LLC	26-2865985
	DBA/Trade Name (where applicable)	3. Organization Type (check one)
1		Individual
#	Address (Street/P.O. Box/City, State and Zip Code)	☐ ☐ Limited Liability Company or Corporation
	c/o Auto Sports Unlimited	Professional Corporation
ğ	200 N. Franklin	S Corporation
X	Suite 100	Other Corporation
=	Zeeland, Michigan 49464	Partnership/LLC Partnership
8	gen ve ve v	Fiduciary
Qualified Taxpaver	4. Do you own or lease the eligible property? If "Yes", check the selection that app	
a	qualified taxpayer and are not eligible for this credit. Documentation verifying owner	ership or lessee status must be attached when filing Part II.
a	Own Lease Executed Agreement to Purchase	
	5. Has the Michigan Department of Environmental Quality ever sued or issued a ur	nilateral order to you pursuant to Article 201 of the Natural
	Resources and Environmental Protection Act, 1994 PA 451, MCL 324,201,01 to 32	24.201.42 to compel response activity on or to the eligible property
	or expended any state funds for response activity on or to the eligible property and  No  Yes If "Yes", you are not a qualified taxpayer and	demanded reimbursement for those expenditures from you?
├	The state of the s	
l	Qualified Taxpayer Legal Name (business entity to receive tax credit)	2. Employer Tax Identification Number (EIN)
	DBA/Trade Name (where applicable)	
	Took frade Name (where applicable)	3. Organization Type (check one)
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( <del>É</del>	Address (Street/P.O. Box/City, State and Zip Code)	Limited Liability Company or Corporation
<b>S</b>		Professional Corporation
ğ		S Corporation
Ta		Other Corporation
٦		Partnership/LLC Partnership
ij	4. Do you own or lease the eligible property? If "Vee" about the collection that you	Fiduciary
Qualified Taxpayer h.	4. Do you own or lease the eligible property? If "Yes", check the selection that appl qualified taxpayer and are not eligible for this credit. Documentation verifying owner	les. If you do not own or lease the property, you are not a riship or lessee status must be attached when filing Part II.
J	☐ Own ☐ Lease ☐ Executed Agreement to Purchase	or Lease
	5. Has the Michigan Department of Environmental Quality ever sued or issued a un Resources and Environmental Protection Act, 1994 PA 451, MCL 324.201.01 to 324	4 201 42 to compel response activity on or to the oligible property
	or expended any state funds for response activity on or to the eligible property and one or to the eli	demanded reimbursement for those expenditures from you?
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	DBA/Trade Name (where applicable)	3 Organization Type (sheek and)
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á		Professional Corporation
又		S Corporation
F		Other Corporation
징		☐ Partnership/LLC Partnership☐ Fiduciary
똘	4. Do you own or lease the eligible property? If "Yes", check the selection that applied taxpayer and are not eligible for this good.	es if you do not own or loose the property you are not
*Qualified Taxpayer #3	qualified taxpayer and are not eligible for this credit. Documentation verifying owner	ship or lessee status must be attached when filing Part II.
-		or Lease
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	or expended any state funds for response activity on or to the eligible property and d	lemanded reimbursement for those expenditures from you?
	No Yes If "Yes", you are not a qualified taxpayer and	are not eligible for this credit.

### Michigan Economic Growth Authority (MEGA) Michigan Economic Development Corporation Brownfield Redevelopment MBT Credit Application – PART I

Project Contacts - The Quali Contacts must include one	ified Taxpayer authorizes MEGA staff to discu company contact and one local brownfield	ss the specifics of this project w redevelopment authority con	rith these contacts.
Name & Title	Address	Telephone & Fax	E Mail Address
Scott Bosgraaf, Member	200 N. Franklin, Suite 100 Zeeland, Michigan	616-748-5701 616-748-5702	ScottB@asumi.org
John V. Byl, Attorney	Warner Norcross & Judd LLP 900 Fifth Third Center 111 Lyon Street NW Grand Rapids, MI 49503	616-752-2149 616-222-2149	JByl@wnj.com
John Hayes, Director	City of Sturgis Economic Development 130 N. Nottawa Sturgis, MI 49091	269-659-7233 269-659-7295	JHaynes@ci.sturgis.mi.us

Applicant Information - Describe the type of business, principal product or service, and give a brief history of the applicant(s) and parent corporate holding company, if any.

The applicant is a newly formed entity created for this project. Its members are experienced builders who have completed several similar successful projects in Michigan.

#### Provide a descriptive summary of the project, including the following information:

- For a manufacturing project, a description of the product or service to be provided
- For retail, commercial, residential or mixed use projects, a description of the purpose or use and size of the development. If mixed use, include the percentage of the mixed uses.
- The location of the proposed project (city, village, or township AND county)
- Whether the operation or development will be new, renovated, or an expansion of an existing operation or development
- The total number of permanent full-time jobs to be added as a result of the project (excluding construction and other indirect jobs)
- The average hourly wage of the new permanent full-time jobs at the project
- The total capital investment anticipated
- The total eligible investment anticipated

The project will completely renovate and restore the vacant, functionally obsolete three story building located at 308 N. Prospect and 418 E. Main, City of Sturgis, St. Joseph County, Michigan into mixed use residential and retail/commercial. The project will include the internal demolition of the building, including lead and asbestos removal, and phased renovation. The first phase is anticipated to be approximately 30,000 square feet of residential space (24-32 condominium units). Associated parking will also be provided. The total eligible investment for the first phase is expected to be approximately \$3.9 million.

The second phase of the project will be the build out of an additional 30,000 square feet of commercial space, possibly some additional residential space and associated parking. The eligible investment for the second phase is expected to be approximately \$1.8 million.

The third phase will be the build out of the balance of the residential space (approximately 11-24 condominium units) and the associated parking. The eligible investment for the third phase is expected to be approximately \$2.75 million.

In addition to the construction jobs, the project is expected to ultimately create approximately 80 to 100 new full time jobs at an average hourly rate of \$18. The total capital investment is expected to be approximately \$8.6 million. The total eligible investment is expected to be approximately \$8.45 million.

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PROPERTY ELIGIBIL	ITV											
		etimate '	the level	and exten	of co	atamin	ction the	ماله مط النب	detect by the Ouel	ified Taxpayer's eligible activities.		
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pertinent to environme	ntal activities.											
Both the soil and gro	oundwater beneat	th the p	oroperty	are cont	tamina	ted w	ith trichl	oroethene	and/or tetrachlor	roethane in excess of generic		
residental Part 201 d	criteria as a result	t of a n	earby S	Superfund	l site k	nown	as the S	Sturais Mur	nicipal Wells. Th	erefore, BEA and dure care		
activities will be requ	uired to identify the	e existi	ing con	taminatio	n and	to pre	event ex	posure to u	itility works, resid	dents and users of the		
property. At this time	e, BEA and due c	care ac	tivities a	are estim	ated to	o be a	mixoraa	nately \$10.0	000. Brownfield	TIF is being requested to		
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be completely renova	ated so as to be s	suitable	e for the	eir new int	tended	d use.				<b>-</b>		
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PROJECT DETAILS												
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Pursuant to the Brownfi			1 3						described in the	Project Description)		
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Approved Brownfield Plan – Is the project area part of an approved brownfield plan?		Yes		No – Local Governmental Municipality  MUST approve the Brownfield Plan before submission of Part II
				If No, what date is the plan expected to be approved? Sept. 24, 2008
Designated Zone – Is the property located in an enterprise zone, renaissance zone, NEZ, federally designated empowerment zone, rural enterprise or enterprise community?		No		Yes - Which type of zone?
The project is expected to be in a NEZ.				
Other Michigan Property - Are you moving or will you be moving from another location in this state within the next 5 years as a result of the eligible investment?	⊠	No		Yes – Enter the address of the property from which you are moving
If moving from another Michigan property, has a new owner or occupant of that property been identified?  No – Why will your former functionally obsolete? Do	location	on not t	econ an-up	ne blighted or responsibility? Yes – Identify the new owner or occupant
Was another site also considered for the project? No – Why was this site se				Yes – Describe the alternate site(s) and the
Was another site also considered for the project? No – Why was this site see The project was selected for its availability in an area needing rehabilitation, add			<u> </u>	incentives for those alternatives
				and commercial/retail space.
Public Benefit - Describe the overall benefit to the public that will result from completion.  The project will preserve and reuse an existing vaccent functionally about the least the public benefit of the public benefit	of this	project		
The project will preserve and reuse an existing vacant, functionally obsolete bui units and commercial/retail space and will reuse a contaminated site. It will creat base.	ate ne	near d w jobs	ownto and	own Sturgis, will provide residential will provide an increase to the City's tax
Other Factors – The applicant may provide any other information that should be consider	ad in c	waluati	na thi	o project
The second secon	<u> </u>	valuati	ng un	s ріојесі.

ELIGIBLE INVESTMENT								
Will the project include an unknown lessee who will be making eligible investment	ents?		Yes - If yes, p					No
MULTI-PHASE PROJECTS							1	
Is this a multi-phase project as defined in MCL 208.1437(10)?		Ø	Yes		No			
Investment Details and MBT Credit Request - Note that Eligible investment of MCL 208.1437 (32)(D). Only investment made by qualified taxpayers or lesses subsidized by another party, it will not qualify for a credit. If investment by a less investment is finished. If the lessee's investment is not included in the project,	es is eligil ssee is ind	ole fo	or a credit. To ed in the project	the e	extent a	ny investm	ent is re	imbursed or
To enter information in Excel, double click the table below:								
Phase I Eligible Investments A. Demolition of Buildings								
B. Site Improvements							ļ	
C. New Construction	_						<b></b>	
D. Restoration, Alteration, Renovation & Improvement of Buildings	- Kiroo	h I 6	fts LLC		_		ļ	40.000.00
E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker)	Kirsci	II LO	its LEC			<del></del>	ļ	\$3,900,000
Purchased Machinery & Equipment & Fixtures								
Leased Machinery & Equipment & Fixtures								<del></del>
Phase I Eligible Investment Subtotal								\$3,900,000
Phase II (for multi-phase projects only)							ì	
A. Demolition of Buildings					-			
B. Site Improvements								
C. New Construction								
D. Restoration, Alteration, Renovation & Improvement of Buildings  E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker)	Kirscl	1 Lo	fts LLC					\$1,800,000
Purchased Machinery & Equipment & Fixtures								<del></del>
Leased Machinery & Equipment & Fixtures			<del></del>					
hase II Eligible Investment Subtotal								\$1,800,000
Phase III (for multi-phase projects only)								7.,000,000
A. Demolition of Buildings								
B. Site Improvements								
C. New Construction								
D. Restoration, Alteration, Renovation & Improvement of Buildings E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker)	Kirsch	Lot	ts LLC					\$2,750,000
Purchased Machinery & Equipment & Fixtures								<del></del>
Leased Machinery & Equipment & Fixtures								
Phase III Eligible Investment Subtotal								\$2,750,000
TOTAL ELIGIBLE INVESTM	MENTS							\$8,450,000
								<del>\$0,430,000</del>
MBT CREDIT REQUEST in	rvestmen	t, or	ceed 12.5% of 20% for MEG ment Area Pro	A de	signat	ed Urban		\$1,690,000
								<del></del>
Other Private Sector Contributions - Other than the investment identified in the	e Eligible		⊠ No	T	$\overline{\Box}$	/aa Dia		
Investment section, will there be any other private sector contribution to the projection	ect?		⊠ No	<u>'</u>	<u>'                                    </u>	res – Pleas	se descri	be below
Covernment Assistance								
Government Assistance or Special Designation - List the type and dollar amo including grants, loans, tax abatements and tax increment financing.								
A request is being submitted for a Neighborhood Enterprise Zone design with the extensive (\$1.5 million) demolition and lead and asbestos abate	nation. A	Addi osts	tionally, brow as well as B	vnfiel EA aı	ld TIF nd due	is being re care cos	equeste ts.	ed to assist

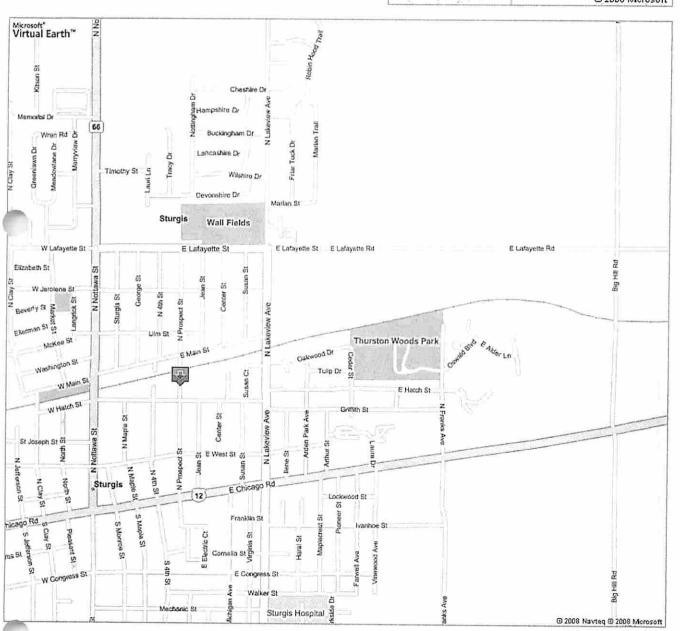
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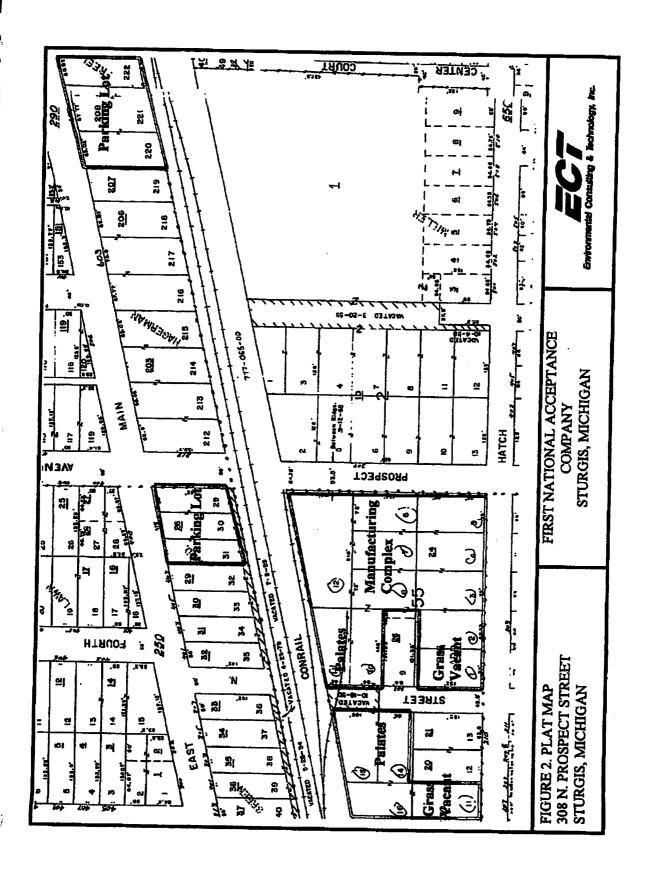
· · · · · · · · · · · · · · · · · · ·					
∠roject Financing – Explain the sources					ages, if needed.
The project will be financed with a co	ombination of private	funds and convent	ional	bank financing.	
If the credits requested are greater than t					
It is anticipated that the applicant may us	e some of the MBT cre-	dit to offset their own I	MBT I	iability. Any excess credits will like	ly be assigned to a third
party or refunded as provided in the statu	ite.				
Does the project site have brownfield related activities or costs that you	No – Why are		e the t	prownfield related activities and pro	vide itemized estimates of
would not encounter on a greenfield	incentives	choose to disc	iress e	each of those items. These costs a elow will be considered when review	nd any other issues you
site?	needed?	request.	u33 D(	siow will be considered when levier	wing your incentives
The site is located near a Superfund site	known as the Sturgis M	lunicipal Wells. As a r	esult,	the groundwater beneath the prop	erty is contaminated with
trichloroethene and/or tetrachloroethane.	As a result, the develo	per will be required to	perfo	m BEA activities prior to purchase	of the property as well as
due care compliance activities to ensure t	hat residendents and u	sers of the site will no	t com	e into contact with the contamination	n.
MEGA DESIGNATED URBAN DEVELO	PMENT AREA PROJE	CT - For MEGA to co	nsider	an Urban Development Area Proje	ect it must be located in
the downtown, traditional central business	district, or traditional c	commercial corridor of	a Qua	alified Local Government Unit or co	unty seat.
ould you like to be considered as a MEC				Yes - If yes, please indicate	
oject?	or boorginated Orban E	Sevelopment Area		your reasoning below	│
Places indicate how the preject contrib	444		<u> </u>	<del></del>	<u> </u>
Please indicate how the project contrib - Increases the density of the area by pror	outes to all the following	ng urban developme	nt ob	jectives under MCL 208.1437(24)	<b>:</b>
- Promotes mixed-use development and w	valkable communities	opinent			
- Addresses areawide redevelopment and	l includes multiple parce	els of property			
<ul> <li>Addresses sustainable redevelopment (g</li> </ul>	green redevelopment)				
- Addresses underserved markets of com					
As indicated above, this project will redeve	BIOD two parcels of property of this walkable dow	perty and an existing v	acant	, multistory building into mixed use	residential and
retail/commercial thus increasing the dens with additional parking. Significant interior	sity of this walkable dow	vntown area. It will bri ill be required includin	ng bo	th retail and residential options to the	ne downtown area along
existing building will prevent the demolition	n and disposal of existir	no buildino materials a	ind co	entimation of various new materials	estos. Reuse of the
construction of a new building. It is hoped	that the project will als	o spur additional deve	elopme	ent and services to support the pre-	sence of downtown
residents.		•	•		
The project has received everyor from the	land comments the their				
The project has received support from the	local community through	gn approval of brownfi	eld Ti	F and granting of a neighborhood	enterprize zone status.
This developer has successfully complete within the city of Sturgis. It is estimated th	at this project will gene	rate annrovimately 80	-100 r	in the process of acquiring a secon	d redevelopment property
					_
Additionally, a number of sustainability iter	ns will be implemented	including integrated p	est m	anagement, erosion control and lai	ndscape management
plan, stornwater management, neat island	a reduction, lian pollutio	n reduction, minimum	indoc	or plumbing fixture and fitting efficie	nev water performance
measurement, water entrient langscaping,	. optimization of energy	efficiency performand	e (Fr	eray Star 85), areen cleaning police	coutdons air introduction
and exhaust systems, environmental tobac thermal comfort monitoring and similar gre	.co smoke control, inch en/sustainable items	eased ventilation, redu	rcea b	particles in air distribution, occupant	t controlled lighting,
graduation and and an analysis	circustamable items.				
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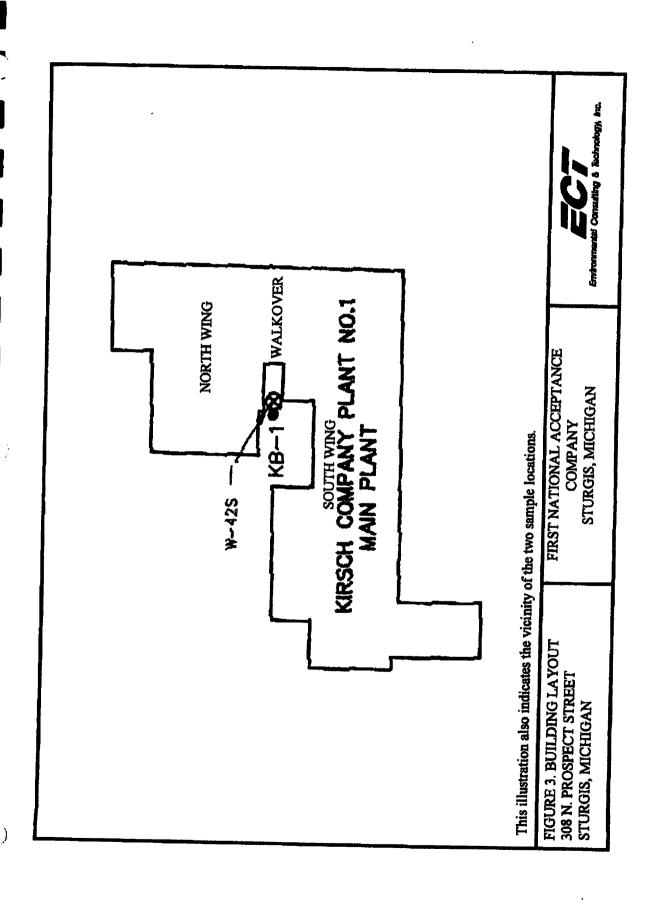
Kirsch Lofts, LLC Project

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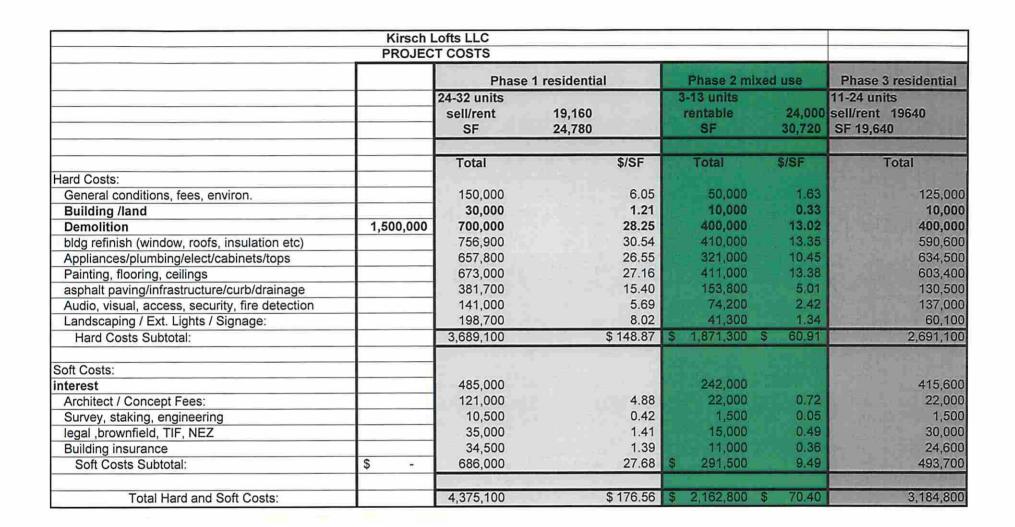












total project sales	total net	
total cost	9,722,700	
brownfield TIF	-1,823,250	
MBT credit (discount for actual dollar value)	-1,436,500	
NEZ (computed into operating cost decrease/sales)	0	· · · ·
total cost after available credits	6,462,950	
Sales proforma		-
phase 1 sales	2,572,929	
phase 2 sales	2,040,000	
phase 3 sales	2,637,387	
advertisement and commissions	-277,440	
total revenue	6,972,876	
return on investment sales approach	7.89%	
total project rental		
total cost	9,722,700	
brownfield plan credit	-1,823,250	····
MBT credit (discount for actual dollar value)	-1,436,500	
NEZ (computed into operating cost decrease/sales)		
total cost after available credits	6,462,950	
Rentals		
annual rental phase 1	168,130 customer responsible for utilities and CAM cost, property ta taxes	•
Rental of office space @ 8.00 sq foot	192,000 customer responsible for all triple net expenses	
annual rental phase 3	172,341 customer responsible for utilities and CAM cost, property tataxes	
vacancy 15%	-79,870	
rental fees/ commissions 6%	-31,948	
repairs and maintenance	-7,500	· · ·
Annual revenue	413,153	
annual return % on investment after credits	6.39%	